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FM AMEMBASSY NDJAMENA  
TO RUEHC/SECSTATE WASHDC 6416  
RUEHYD/AMEMBASSY YAOUNDE 1715  
RUEHGI/AMEMBASSY BANGUI 1529  
RUEHFR/AMEMBASSY PARIS 2330  
RUEHLO/AMEMBASSY LONDON 1777

UNCLAS NDJAMENA 000374

SIPDIS  
SENSITIVE

PARIS AND LONDON FOR AFRICA WATCHERS, STATE FOR AF - DAS SWAN, AF/C,  
AND AF/EPS

E.O. 12958: N/A

TAGS: [EFIN](#) [ECON](#) [IBRD](#) [ETRD](#) [EPET](#) [IMF](#) [PGOV](#) [CM](#) [CD](#)

SUBJECT: CHAD AND THE WORLD BANK AGREE TO TRY A RENEWED  
RELATIONSHIP, BUT THE GOC MUST "BUY OUT" THE BANK'S INVOLVEMENT IN  
THE OIL SECTOR FIRST.

REF: A) NDJAMENA 288, B) NDJAMENA 248, C) NDJAMENA 171

¶1. (SBU) THE VISIT TO CHAD AUGUST 24-25 OF WORLD BANK VP FOR AFRICA  
OBIAGELI ESEKWEZILI APPEARS TO HAVE LAID THE GROUNDWORK FOR A  
RECONCILIATION BETWEEN CHAD AND THE BANK, AFTER AN ESTRANGEMENT OF  
SOME SIX MONTHS, BUT IT WILL COST CHAD SOME USDOLS 60-70 MILLION IN  
EARLY DEBT REPAYMENT, WHICH WILL ENABLE THE BANK TO END ITS  
INVOLVEMENT IN THE PETROLEUM SECTOR IN CHAD.

¶2. (SBU) OFFICIALLY, THE GOC WELCOMED THE AGREEMENT IN AN OFFICIAL  
ANNOUNCEMENT (SEE PARA 4). TAMANA ABDOULAYE, WHO PRESIDES OVER THE  
PARASTATAL OIL REVENUE MONITORING BODY AND WHO PARTICIPATED IN THE  
MEETING BETWEEN ESEKWEZILI AND THE PRIME MINISTER, TOLD AMBASSADOR  
AUGUST 28 THAT THE VISIT WAS SUCCESSFUL FROM THE GOC'S POINT OF VIEW  
AND THAT THE GOC WAS WILLING TO REPAYING ITS DEBT EARLY AND SEE THE  
BANK WITHDRAW FROM THE OIL SECTOR IN EXCHANGE FOR A RESUMPTION OF  
THE CHAD-BANK RELATIONSHIP I OTHER SECTORS, LIKE HEALTH AND  
AGRICULTURE. FORMER PM AND GOVERNMENT PERENNIAL HAROUN KABADI GAVE  
AMBASSADOR AND DCM LATER THAT SAME DAY THE IMPRESSION THAT THE GOC  
WAS LESS-THAN-ENTHUSIASTIC ABOUT THE NECESSITY TO PONY UP SUCH A SUM  
TO OBTAIN A RENEWED RELATIONSHIP WITH THE BANK, SAYING THAT THE BANK  
DEMANDED THE REPAYMENT BE MADE BEFORE SEPTEMBER 5, WHICH WOULD  
STRAIN GOC BUDGETARY RESOURCES SEVERELY, AT LEAST IN THE SHORT TERM.

¶3. (SBU) IT APPEARS THAT THE BANK AND THE GOC HAVE AGREED TO A  
TWO-STEP PROCESS. THE FIRST STEP WOULD BE THE "LIQUIDATION" OF THE  
GOC-BANK RELATIONSHIP IN THE PETROLEUM SECTOR THROUGH REPAYMENT BY  
THE GOC OF SOME USDOLS 60-70 MILLION IN DEBT TO THE BANK TO FINANCE  
THE GOC'S PARTICIPATION IN THE CAMEROON-CHAD OIL PIPELINE PROJECT.  
THE SECOND STEP WOULD BE THE RESTORATION OF THE CHAD-BANK  
RELATIONSHIP IN OTHER SECTORS, WITH THE BANK SENDING TO CHAD A  
RESIDENT REPRESENTATIVE, A POSITION VACANT SINCE FEBRUARY.

¶4. (U) THE GOC RELEASED THE FOLLOWING COMMUNIQUE ON AUGUST 26: LE  
PREMIER MINISTRE, M. YOUSSEF SALEH ABBAS, A RECU HIER LA  
VICE-PRESIDENTE DE LA BANQUE MONDIALE, REGION AFRIQUE, MME OBIAGELI  
ESEKWEZILI. LA COOPERATION ENTRE LE TCHAD ET LA BANQUE MONDIALE A  
ETE ABORDEE AU COURS DE CETTE AUDIENCE. DANS UN COMMUNIQUE DE PRESSE  
RENDU PUBLIC CE MATIN, LE MINISTRE DE L'ECONOMIE ET DU PLAN, M.  
OUSMANE MATAR BREME INDIQUE QU'A L'ISSUE DES ECHANGES ENTRE LA  
DELEGATION DE LA BANQUE MONDIALE ET LE GOUVERNEMENT, LES DEUX  
PARTIES ONT CONVENU DE CE QUI SUIT: -- APURER LES CONTENTIEUX NES DE  
LA PARTICIPATION DE LA BANQUE MONDIALE AU FINANCEMENT DU PROJET  
PETROLE; -- ENVISAGER DANS LES MEILLEURS DELAIS LA RELANCE DE LEUR  
COOPERATION AU MIEUX DES INTERETS DU TCHAD, Y COMPRIS L'OUVERTURE DE  
LA REPRESENTATION DE LA BANQUE MONDIALE AU TCHAD, PRECISEMENT A  
N'DJAMNA.

¶5. (SBU) COMMENT: THIS AGREEMENT MAY END A LONG PERIOD OF TENSION  
BETWEEN THE BANK AND THE GOC, ALTHOUGH EVIDENTLY AT SOME COST TO THE  
GOC. PM YOUSSEF SALEH SALEH ABBAS CONSIDERED THE BANK-GOC SQUABBLE

A MAJOR THREAT TO THE SUCCESS OF HIS FIVE-MONTH OLD GOVERNMENT OF "NATIONAL REFORM AND RECONCILIATION" (REF C). THE GOC MAY WELL HAVE DECIDED THAT IT WAS WORTH THE CANDLE, IF A USDOLS 60-70 MILLION ONE, TO RESUSCITATE ITS RELATIONSHIP WITH THE WORLD BANK. WE DO NOT KNOW IF THE TERMS OF THE AGREEMENT HAD ANYTHING TO DO WITH THE SUDDEN DISMISSAL LAST WEEK OF FINANCE MINISTER ABAKAR MALLAH MOURTCHA.

16. (SBU) COMMENT CONTINUED. IF IMPLEMENTED, THE AGREEMENT COULD CLEAR THE WAY FOR A VISIT OF THE PRIME MINISTER TO WASHINGTON AND NEW YORK, WHICH WOULD PROVIDE AN OPPORTUNITY FOR HIM TO BECOME MORE FAMILIAR WITH USG POSITIONS THROUGH MEETINGS WITH SENIOR US POLICY MAKERS, AS WELL AS WITH SENIOR OFFICIALS AT THE UN AND THE INTERNATIONAL FINANCIAL INSTITUTIONS. WE WILL CONTINUE TO SEEK PERSPECTIVE ON THE ESEKWESILI VISIT, THE RESULTING AGREEMENT, AND THE FUTURE OF THE CHAD-WORLD BANK RELATIONSHIP. END COMMENT.

NIGRO